

All receipts should use a Current Document Number, even if the Transaction Code Illustration indicates "OPTIONAL". The Current Document Number is a unique cash receipt or report of deposit number. This identification helps in the bank reconciliation process.

The SCO may receive receipts directly for abatements, revenues, reimbursements or refunds to reverted appropriations that are applicable to an agency. When that occurs, the SCO sends a journal entry confirming receipt (CRnnnnnn). The agency must reflect the event on their books.

Federal funds may be received by state agencies in two ways: through the receipt of a check or Federal Warrant (billed or non-billed) and deposited into General Cash; or through the Federal Drawdown/Letter of Credit process where the funds are deposited directly into the State Treasury.

See Volume 5, Transaction Code Illustrations, for information about the general ledgers affected, the data elements required and the files to which cash receipt transactions are posted.

Each type of receipt is discussed as separate sections of this chapter.

CASH RECEIPTS REPORTS

Four CALSTARS reports are used for the cash receipts process:

H05 - SCO Remittance Advice Worksheet

The H05 Report summarizes all transactions that affect Unremitted General Cash (GLA 1110). See Volume 6, Exhibit II-H-H05, for a complete description and a sample of this report. This report is used to prepare the SCO Remittance Advice Report, Form CA-21. When remitting monthly, request the H05 Report with a period of **PM** to determine accounts and amounts to be remitted. When remitting more frequently than monthly, use **CM**. Be aware the H05 Report is cumulative for the month based on calendar month (not fiscal month-FM).

Agencies remitting more frequently than monthly should develop a remitting worksheet. This worksheet may help agencies keep track of previous remittances for the month so that they do not inadvertently over remit. If that happens, an agency may offset the next remittances with like-type cash collections. However, sometimes the agency may not have the same type of receipt collections that were over remitted. In that case, the agency must file a claim schedule with a letter of explanation identifying the type of receipt that was over remitted, the Remittance Advice Number, the SCO account to which it posted, and steps taken to prevent a recurrence. If the over remitted monies are for Refunds to Reverted Appropriations and no like funds are available to offset, the agency should contact the SCO.

One way for an agency to avoid over remittances is to always confirm that the outstanding GLA 1110-General Cash less the sum of: GLA 3400-Advanced Collections, GLA 3730-Uncleared Collections, GLA 3710-Cash Overage and

GLA 3110-Due To Other Funds or Appropriations (for Sales Tax), is equal to or more than the remittance.

The H05 Report may be requested at the Fund or Fund Detail level and will page-break by receipt type. The agency may be required to add page amounts together to summarize by appropriation (Enactment Year and Reference).

It is important to select both the proper Current Document Date for the posting tags and the proper Collection Period for the Remittance Advice Report. Document Date must be within the Collection Period of the Remittance Advice Worksheet Report. Collection Period must be within the Fiscal Month (As of...) of the H05 Report. For example, all collection entries for the month of January are shown on the FM 07 (January) H05 Report. All remittance entries should show Current Document dates within the January period. Do not use the date the RA is signed or the check date to the STO. If a remittance entry for January is incorrectly coded with a February Current Document Date (i.e., the date entered in CALSTARS), the H05 Reports for January must be footnoted with the remittance amount that does apply. Using the correct Current Document dates will avoid this problem. It is also good practice to request H03 and H05 reports (PM) on the last processing day of the month, even if the agency already has all of the month-end reports.

The H05 Report has most of the information that agencies need to complete a Remittance Advice Form (CA-21) and prepare the posting tags. Listed below are those items **NOT** on the H05 Report and some hints on how to find them:

Items <u>NOT</u> on the H05 Report		
Item	Needed for Remittance Advice Form?	Needed for posting tags?
Appropriation data (Ch/Item/FY). Use FY and AS as a clue.	Yes	No
Program 99 for Clearing Account - per SCO Reconciliation Report	Yes	No
Category 90 for Reimbursements or Federal Receipts - per SCO Reconciliation Report	Yes	No
Employee Name for Payroll Accounts Receivable. Use Vendor # or A/R # to track.	No	No
Funding Source and Method. Use EY and Reference as a clue.	No	Yes
Vendor # for STO. Each agency should establish one Vendor # for the STO.	No	Yes
Index. Use the H03 Report.	No	Yes ^{1/}
A/R #, SS #, Employee Name, for Reverted Payroll Accounts Receivable collections. Use the H03 and look at manual Payroll A/R records to obtain data for both the RA and the posting tags. More later in the chapter.	No	Yes
Account to be used for Advance Collections. Use the H03 Report and look for TC 109.	Yes	No
Source fund to be used for Reimbursements. Use SCO Agency Reconciliation Report (Tab Run).	Yes	No

^{1/} If organization is by Section

CASH REMITTANCE PROCESS

SAM 8091 requires that agencies prepare Remittance Advices (State Controller's Office Form CA-21) to remit cash receipts. This process moves the funds from the agency's General Checking Account to the appropriate fund in the State Treasury. See previous Exhibit XVI-1, Cash Receipts Flow.

Develop the Data for the Remittance Advice

The data needed to make cash remittances are contained in the CALSTARS reports.

1. Request the H05 and H03 reports.

SAM Section 8091 requires agencies to remit funds at least every 30 days or when the total amount exceeds \$25,000.

- ✧ Request the H05/H03 reports as Prior Month (**PM**) when remitting monthly; or
- ✧ Request the H05/H03 reports as Current Month (**CM**) when remitting daily, weekly or some interval less than monthly.

2. Use the H05 Report to record cash remittance by Funding Fiscal Year, Appropriation, Fund, and Receipt Source.

- ✧ Refer to the previous section for information on the H05 Report and the table on how to obtain the additional information required for the remittance advice.
- ✧ Each line on the remittance advice should result in one CALSTARS transaction.

Prepare the Remittance Advice, Form CA-21

The Collection Period at the bottom of the CA-21 form should have no gaps. For example, if the ending date on the last collection was June 30, 20nn and there were no collections for July and August, September's collection should have the dates "July 1, 20nn to September 30, 20nn." If "old" cash is later discovered in November for August collection, for example, it should be remitted separately with the collection period displaying "August 1, 20nn to August 31, 20nn."

Agencies should be aware that the CA-21 Form is controlled by the SCO and all serially numbered forms must be accounted for. There are specific instructions on the back of the pink (back copy) for voiding forms and ordering additional forms.

Agencies may obtain supplies of form CA 21 or a copy on diskette from the SCO, Division of Accounting and Reporting. The form is also available on the Internet at: <http://www.sco.ca.gov/ard/state/index.htm>. Agencies may design their own remittance form; however, SCO approval of the form is required prior to its use per SAM Section 8091. Agencies will prepare form CA 21 in triplicate when remitting to the State Treasury.

Source Code Considerations

The Receipt Source Code required on the CA-21 may be different than the Receipt Source Code used in the corresponding CALSTARS transaction. The table below displays the appropriate source codes to use.

Remittance Type	CA-21 Form Source Code	CALSTARS Source Code
Abatements	Blank	580n00
Payroll A/R - Abatements	Blank	580100
Reimbursements	Blank	99n9nn
Revenue	1nnn00	1nnn00
Operating Revenue	2nnn00	2nnn00
Federal Receipts	4 + Catalog #	4 + Catalog #
Refunds to Reverted Appropriations	500000	570000
Deposits	Blank	Blank
Advance Collections	Org Code + 00	Blank

Review and Transmit the Remittance Advice

Correct all errors in the month in which the original transaction occurred, if possible.

After the CA-21 is verified and signed:

- ✧ The original, duplicate copy and check goes to the STO.
- ✧ The STO forwards an endorsed copy to the SCO; and,
- ✧ The agency retains the pending (third) copy.

Code Remittance Transactions in CALSTARS

Vendor Number is the STO's Vendor Number.

The Current Document Number is the Remittance Advice Number from Form CA-21 (XXnnnnnn). The first 2 characters of every remittance advice is an agency designation. The 2 characters are assigned by the SCO.

The Current Document Date is the last date of the collection period on the Remittance Advice. (This places the remittance transaction into the prior month H05 Report when making monthly remittances.)

Volume 1, Chapter XIII, ORF Accounting, provides input coding instructions for the General Cash checks that accompany the Remittance Advice forms.

Use the following transaction codes to record remittances:

Remittance Transaction Codes	
TC	Description
171	Regular remittance - manual check
173	Regular remittance - auto check
110	Liabilities for Deposit Remittance - manual check
187	Liabilities for Deposit remittance - auto check
145	Advance collection - manual check
188	Advance collection - auto check

Record the SCO Receipt of the Remittance Advice

Agencies receive a journal entry confirming receipt (CRnnnnnn).

Record the SCO Receipt of the Remittance Advice at the same level of detail as original remittance transaction. There should be a one-to-one relationship between the accounting for the original transaction transmitting the remittance and the SCO receipt of the remittance.

Use the SCO Receipt Number as the Current Document Number in CRnnnnnn format.

The Document Date is the Controller's Receipt Date.

The Reference Document Number is the Remittance Advice Number in XXnnnnnn format that was on the original of the CA-21 sent to the SCO (top-right corner, imprinted on all copies).

EXHIBIT XVI-3 -- ABATEMENT EXAMPLE

STATE OF CALIFORNIA
 REPORT TO STATE CONTROLLER OF
 REMITTANCE TO STATE TREASURER
 TC - 30

REMITTANCE ADVICE NO.

RA352911

AGENCY DEPARTMENT OF AIR QUALITY	FOR CREDIT TO: (FUND) 0001 GENERAL	APPROPRIATION DATA: See below
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FUND	AGY	FY	M	REF/ITEM	FED CAT	PIN	C	CA	PGM	ELE	COMP	TASK	ACCT	SCO	REVOBJ
0001	9990	2002		001					99						
0001	9990	2002		001					99						
0001	9990	2001		001					99						

TREASURER'S ENDORSEMENT

TO STATE CONTROLLER: I hereby certify that the foregoing report is a correct statement of all monies received by the above-named agency and on account of said Fund or Appropriation during the periods stated below in accordance with Section 12410 of the Government Code. Remittance has been made to the State Treasurer.

(Signed)

OFFICIAL TITLE
Accounting Administrator

DATE
10/5/2002

CONTACT
Cathy Bell

PHONE
445-1091

Collection period from September 1, 2002 to September 30, 2002 inclusive.

Original & Duplicate - State Treasurer's Office Triplicate - Agency Copy

SCO Collection of a Regular Payroll Accounts Receivable

Transaction Codes - TC 455 and TC 455R.

Current Document Number - SCO Transfer Journal Number (APnnnnnn format). Current Document Suffix should be '00' or agency convention.

Reference Document Number - The Payroll Accounts Receivable Number (A/Rnnnnnn format) that was previously established with the SCO *Notice of Payroll Accounts Receivable*.

Write-off of a Regular Payroll Accounts Receivable

Transaction Codes - TC 463 and TC 463R.

Reference Document Number - The Payroll Accounts Receivable Number (A/Rnnnnnn format, above).

Remitting a Regular Payroll Accounts Receivable

Transaction Codes - TC 171 or TC 173.

Current Document Number - The Remittance Advice Number (RAnnnnnnn format).

Source Code - Required. Use **580100**.

Appropriation Symbol - Required. The H05 may be used for coding information.

Processing the SCO Receipt of a Regular Payroll A/R Remittance

Transaction Code - TC 172.

Current Document Number - SCO Receipt Number, in CRnnnnnnn format. Current Document Suffix is **00** or agency convention.

Reference Document Number - The Remittance Advice Number (RAnnnnnnn format).

Source Code - Required. Use **580100**.

Appropriation Symbol - Required. Use the remittance transaction or the H05.

The chart on the following page provides specific instructions for completing the Form CA-21. See Exhibit XVI-6 for a sample of a completed CA-21 for Payroll Accounts Receivable. See Exhibit XVI-7 for a sample of a completed Std. 995A - Non-USPS--Agency Collection Accounts Receivable.

Note: The Std. 995A should be sent directly to the SCO PPSD W-2 unit.

EXHIBIT XVI-7 -- PAYROLL A/R EXAMPLE

STATE OF CALIFORNIA

NON-USPS—AGENCY COLLECTION ACCOUNTS RECEIVABLE

STD 995A (NEW 7-94)

*Complete and submit to: State Controller, PPSD - W-2 Unit***TAX YEAR COLLECTED****20nn**

Remittance Advice Number

Dated

352291**2/2/0n**

The following payments to clear Payroll Accounts Receivable have been submitted to the State Controller's Office on:

SOCIAL SECURITY NUMBER	EMPLOYEE NAME (First Initial, Middle Initial, Surname)	PAYMENT TYPE	PAY PERIOD OF A/R (Month/Year)	ISSUE DATE OF A/R (Month/Day/Year)	A/R NUMBER (5 Digits)	AMOUNT COLLECTED
535-36-9989	John A. Brown	6	10nn	12nnnn	09991	238.68
151-99-4444	Susan Price Johannas	6	10nn	12nnnn	09995	423.21

I certify that I am duly authorized by the herein named state agency to make this report and certification;
that data stated herein is correct, complete and in accordance with all laws and regulations.

REPORTING OFFICER'S SIGNATURE

DATE

09/30/02

TYPE OR PRINT NAME AND TELEPHONE NUMBER OF INDIVIDUAL COMPLETING THIS FORM

Cathy BellTELEPHONE NUMBER Include Area
Code or use CALNET)**(916) 445-1091**

FROM (Agency Name)

Department of Air Quality

EXHIBIT XVI-9 -- REVERTED PAYROLL ACCOUNTS RECEIVABLE EXAMPLE

STATE OF CALIFORNIA

NON-USPS—AGENCY COLLECTION ACCOUNTS RECEIVABLE

STD 995A (NEW 7-94)

*Complete and submit to: State Controller, PPSD - W-2 Unit*TAX YEAR COLLECTED
20nnRemittance Advice Number Dated
352291 2/2/0n

The following payments to clear Payroll Accounts Receivable have been submitted to the State Controller's Office on:

SOCIAL SECURITY NUMBER	EMPLOYEE NAME (First Initial, Middle Initial, Surname)	PAYMENT TYPE	PAY PERIOD OF A/R (Month/Year)	ISSUE DATE OF A/R (Month/Day/Year)	A/R NUMBER (5 Digits)	AMOUNT COLLECTED
535-36-9989	John A. Brown	K	10nn	12nnnn	08889	238.68
151-99-4444	Susan Price Johannas	0	10nn	12nnnn	08890	423.21
151-99-4444	Susan Price Johannas	0	11nn	01nnnn	08892	423.21
151-99-4444	Susan Price Johannas	0	12nn	01nnnn	08895	423.21
151-99-4444	Susan Price Johannas	0	01nn	02nnnn	08899	423.21

I certify that I am duly authorized by the herein named state agency to make this report and certification;
that data stated herein is correct, complete and in accordance with all laws and regulations.

REPORTING OFFICER'S SIGNATURE

DATE

09/30/02

TYPE OR PRINT NAME AND TELEPHONE NUMBER OF INDIVIDUAL COMPLETING THIS FORM

Cathy BellTELEPHONE NUMBER Include Area
Code or use CALNET)**(916) 445-1091**

FROM (Agency Name)

Department of Air Quality

EXHIBIT XVI-14 -- FEDERAL FUND ABATEMENTS (AVAILABLE APPROPRIATION) EXAMPLE

STATE OF CALIFORNIA
REPORT TO STATE CONTROLLER OF
REMITTANCE TO STATE TREASURER
TC - 30

REMITTANCE ADVICE NO.

RA352939

AGENCY DEPARTMENT OF AIR QUALITY	FOR CREDIT TO: (FUND) 0890 FEDERAL TRUST FUND	APPROPRIATION DATA: Chapter xxx/0x, Item 9990-001-0890
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TREASURER'S ENDORSEMENT

TO STATE CONTROLLER: I hereby certify that the foregoing report is a correct statement of all monies received by the above-named agency and on account of said Fund or Appropriation during the periods stated below in accordance with Section 12410 of the Government Code. Remittance has been made to the State Treasurer.

(Signed)	
OFFICIAL TITLE Accounting Administrator	
DATE 10/5/2002	
CONTACT Cathv Bell	PHONE 445-1091

Collection period from September 1, 2002 to September 30, 2002 inclusive.

Original & Duplicate – State Treasurer's Office Triplicate – Agency Copy

REFUNDS TO REVERTED APPROPRIATIONS PROCESSING

An Abatement or Reimbursement that is applicable to a reverted appropriation is classified as GLA 9891-Refunds to Reverted Appropriations. Refunds to Reverted Appropriations may be billed or non-billed. If billed, two transactions are needed: first, to liquidate the receivable, GLA 1319-Accounts Receivable-Other; and second, to apply the cash to Refunds to Reverted Appropriations. If non-billed, the receipt is applied directly to Refunds to Reverted Appropriations. Revenue is never classified as Refunds to Reverted Appropriations.

The following chart provides specific instructions for completing the Form CA-21. See Exhibit XVI-16 for a sample of a completed CA-21 for Refund to Reverted Appropriations.

Item	Description
FY	Enter the <u>Prior Fiscal Year</u> regardless of the actual year of the abatement or reimbursement. (The CALSTARS entry may be coded to the actual fiscal year.)
REV/OBJ	Enter 500000.
AMOUNT	Enter the <u>total amount</u> being remitted. (The detail by appropriation is described in the Description column.)
DESCRIPTION	Enter the appropriation data and amount. A separate form must be used for Payroll Accounts Receivable Abatements that have reverted. Complete SCO required form Non-USPS--Agency Collection Accounts Receivable, STD. 995A and send to SCO-PPSD W-2 Unit. The information from this form is used to update the taxable wages as appropriate.

EXHIBIT XVI-16-- DEPOSITS TO SPECIAL DEPOSIT FUND SAMPLE

STATE OF CALIFORNIA
REPORT TO STATE CONTROLLER OF
REMITTANCE TO STATE TREASURER
TC - 30

REMITTANCE ADVICE NO.

RA352927

AGENCY DEPARTMENT OF AIR QUALITY	FOR CREDIT TO: (FUND) 0942 SPECIAL DEPOSIT FUND	APPROPRIATION DATA: Chapter 121/45
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[illegible]

TREASURER'S ENDORSEMENT

TO STATE CONTROLLER: I hereby certify that the foregoing report is a correct statement of all monies received by the above-named agency and on account of said Fund or Appropriation during the periods stated below in accordance with Section 12410 of the Government Code. Remittance has been made to the State Treasurer.

(Signed)

OFFICIAL TITLE
Accounting Administrator

DATE
10/5/2002

CONTACT
Cathy Bell

PHONE
445-1091

Collection period from September 1, 2002 to September 30, 2002 inclusive.

Original & Duplicate – State Treasurer's Office Triplicate – Agency Copy

OTHER CASH ACTIVITIES

Some unique cash receipt activities require specific processes for their handling and recording. These activities are described below.

Uncleared Collections

Receipts are recorded as Uncleared Collections when:

- ✧ The purpose of the receipt cannot be determined; or,
- ✧ The cash is to be refunded to the payer; or,
- ✧ An employee's payroll warrant is to be split between a "balance due" check to the employee and the issuance of a Payroll Accounts Receivable.

A fund, usually General Fund, must be used to record the entry in CALSTARS. If a refund is anticipated, a Vendor Number or name should be used. Funding source is not necessary. Appropriation Symbol, PCA, Index, Object Detail and Source should not be used.

Uncleared Collections are cleared by returning the funds to the payor or liquidating the entry (using a different transaction code) and reposting the receipt as a revenue, reimbursement, abatement, etc.

The transactions for Uncleared Collections are:

Description	TC	Debit	Credit
Receipt of cash	108	1110	3730
Reverse receipt; and/or apply cash to reimbursements, revenue, abatements, etc.	170 and nnn	3730 1110	1110 nnnn
Refund cash	438 or 289	3730	1110

Liabilities for Deposits

GLA 3500-Liabilities for Deposits is an account to hold cash, including guarantee deposits, sometimes for an indefinite period of time. An example of a guarantee deposit is the \$5.00 collected for each key to a state-owned house. Deposits are non-billed. Deposits may be recorded in GLA 1110-General Cash, GLA 1120-Agency Trust Fund Cash or GLA 1140-Cash in State Treasury. An example of the most common type of deposit account is Unclaimed Trust in Fund 0942, Special Deposit Fund.

Stale Dated Revolving Fund And General Cash Checks

Revolving Fund and General Cash checks are considered stale dated if not cashed:

- ✪ After two years for checks issued prior to January 1, 1998; and
- ✪ After one year for checks issued on or after January 1, 1998.

Agencies should review their K01 Report/Bank Reconciliation monthly and use the following procedures for stale dated checks.

Stale Dated Checks Issued Prior To January 1, 1998

Checks not cashed after two years are remitted to the Special Deposit Fund-Unclaimed Trust Account. They remain in Unclaimed Trust until the check is subsequently cashed, or for two additional years.

Revolving Fund Checks